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Implications of a Sino-Soviet Summit

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(U) Implications of a Sino-Soviet Summit

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Key Judgments

Sino-Soviet relations will enter a new stage in early 1989 if, as expected, General Secretary Gorbachev travels to Beijing for the first meeting of senior Soviet and Chinese leaders in 20 years. The normalization of relations symbolized by the upcoming summit will have little immediate effect on substantive relations between Moscow and Beijing, the international system, or US interests, but in the longer term the effect could be significant.

Gorbachev's meetings with Deng Xiaoping and other Chinese leaders should be viewed as the culmination of the normalization process that began in the early 1980s, not as a watershed development in Sino-Soviet relations. Neither the Soviets nor the Chinese envision a return to the kind of relationship that existed in the 1950s; both expect their relations with the US to have higher priority.

Beijing is willing to accede to Moscow's longstanding desire for a summit, implicitly downgrading the "three obstacles,"^{1/} because changes in US-Soviet relations, Gorbachev's

^{1/} China's three obstacles to normalization of relations with the USSR have been the Soviet military buildup in Mongolia and on the Sino-Soviet border, the Soviet invasion of Afghanistan, and Soviet support of Vietnam's invasion of Cambodia.

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response to PRC security concerns, and the positive state of US-China relations make it possible and desirable to do so. Normalization of relations with Moscow will underscore China's independent foreign policy while it buttresses China's strategy of modernization through reform.

Moscow hopes the summit will open the way to an expanded role in Asia, reduce tension on the Sino-Soviet border, and enhance Gorbachev's stature, but it is not expecting significant erosion in US-China relations. Normalization of relations with China is part of Gorbachev's effort to stabilize the international environment, simplify defense planning, and limit--perhaps reduce--military expenditures. It is unlikely that Soviet troops will be shifted from Asia to increase the threat to NATO.

The Japanese will see the summit as a positive development, but worry that Soviet-Japanese relations are falling behind Sino-Soviet and US-Soviet ties.

Hanoi and Pyongyang may be the most disadvantaged. The summit will raise Vietnam's suspicions about the reliability of Soviet support in its confrontation with the Chinese and reduce North Korea's ability to exploit tensions between its two patrons.

Improved Sino-Soviet relations will rekindle Southeast Asian concern about Chinese intentions and military capabilities, because a modernizing China that feels less threatened by the Soviets may pose increased economic and security challenges to the region.

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Background

Traditional antagonism between China and Russia was suspended briefly in 1949-59 when the newly formed People's Republic of China turned to the Soviet Union for protection, assistance, and ideological leadership. During the 1950s, when China was threatened and embargoed by the US, the "Soviet model" of development appeared far more promising and successful than it did later.

Strains had begun to appear in the Sino-Soviet relationship as early as 1955, but the formal break did not occur until 1959-60, when China launched the Great Leap Forward and Moscow withdrew its advisers and technical assistance. Relations went steadily downhill with polemics on both sides and a substantial buildup of military forces on the Soviet side of the border by the late 1960s. Border clashes in 1969 and Chinese fears of Soviet intentions were important factors in China's decision to normalize relations with the United States.

During the 1970s and early 1980s, fear of the Soviet Union and perception of what was required to establish and sustain better relations with the US caused China to seek a tacit alliance against the USSR. By 1982, however, both Moscow and Beijing began to seek ways to reduce tensions and gain leverage in the strategic triangle. The Soviets were the suitors and obviously more eager and aggressive in pursuing improved ties. Beijing, deeply suspicious of Moscow and fearful that the US would overreact to signs of improvement in China's relations with the Soviet Union, moved very cautiously. Deng utilized the three obstacles to restrict the pace of normalization.

Moscow's Objectives

There is a general recognition, including in the USSR and the PRC, that Moscow wants to normalize Sino-Soviet relations more than does Beijing. For years, Moscow sought to exaggerate Sino-Soviet amity in order to play a "China card" against Washington and undermine Sino-US relations. More recently, however, Gorbachev and his spokesmen have emphasized that improved Sino-Soviet relations will not be pursued at the expense of the US.

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Moscow seeks to normalize relations with Beijing for several reasons, among them to expand the Soviet role in Asia; reduce Chinese, and third-country, perceptions of a Soviet threat and thus the potential for larger PRC and Japanese defense expenditures; and to reap propaganda and practical benefits from demonstrating Moscow's ability to solve long-standing issues of bilateral, regional, and global significance. Normalization is part of Gorbachev's broader effort to stabilize the international environment, simplify defense planning, and limit--perhaps even reduce--military expenditures.

Moscow probably does not expect a summit to erode significantly the Sino-US relationship, although a more "balanced" triangle might be in Gorbachev's game plan. At a minimum, Moscow probably would expect China to be more "independent" and more receptive to Soviet views on Asian issues. No Soviet leader, however, expects the USSR-China relationship to return to the patron-client status of the 1950s.

Gaining access to Asia's markets and, more importantly, financial resources is a centerpiece of late-20th-century Soviet foreign policy, but tensions with several key actors present obstacles. Rapprochement with China could open the way to better relations with other states in the region, even though each relationship has its particular problems that must be resolved. Thus, for example, Soviet occupation of and refusal to discuss the Northern Territories is a major impediment to better relations with Japan. Normalization of Sino-Soviet relations will not necessarily facilitate resolution of that issue.

Beijing's Objectives

Beijing has been cautious in improving relations with Moscow, principally because of lingering suspicions of Soviet strategic intentions but also because of the risk of harming relations with the US. Deng has adamantly opposed gestures that reward Moscow, even symbolically, unless there is clear and concrete gain for China. Accordingly, he has insisted that improvements in relations with the Soviet Union be balanced by further improvement in Sino-US relations and that preserving and expanding Sino-US ties have higher priority. Moreover, the Chinese were reluctant to deal seriously with Gorbachev until they were more certain of both his foreign policy flexibility and his staying power.

Gorbachev's actions and political achievements over the last year and a half, and growing conviction in China that any Soviet leader must pursue domestic reform and less threatening foreign and military policies, have convinced Beijing that Gorbachev or his basic policies will endure. Beijing also is

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more confident of Gorbachev's intention to change Soviet foreign policy. Integral to these assessments are Soviet initiatives--concessions--that since 1987 have allowed Soviet-US progress on disarmament and such regional issues as Afghanistan. The Chinese also appear more confident that the state of US-Soviet relations is such that they can manage Sino-Soviet normalization without harm to US-China ties.

Beijing may also see more benefits from normalizing relations with Moscow than it did in the past. Deng seems eager to attain major goals that eluded his predecessors, especially reunification with Taiwan and normalization of relations (including a border settlement) with the Soviet Union. Deng may also hope that a Sino-Soviet summit, and progress on other high-profile issues, would strengthen the legitimacy and lasting power of his reform program. As a result, he has sought, and found, signs of progress on the three obstacles.

Symbolism Over Substance

Symbolism is likely to exceed substance when Gorbachev meets Chinese leaders. The summit probably will produce a statement of the basic principles for building a new relationship of "peaceful coexistence," as well as calls for further expansion of trade, joint economic and scientific projects, cultural exchanges, and consultation on regional and international matters involving both parties. But the summit will not necessarily mark resumption of formal party or military exchanges.

Chinese leaders have been even more emphatic than the Soviets in stressing that normalization of relations does not mean resumption of the Sino-Soviet relationship of the 1950s. Indeed, Beijing has insisted for years that there can be no special bond through party ties and no strategic alignment. Moscow in recent years has agreed to this and has begun to adopt a similar flexibility in its relations with other socialist countries.

Relations Will Enter a New Stage

Deng has decided to shift from stressing obstacles to using the politics of summity to work toward negotiated solutions to problems. Moving the relationship with the Soviets to a new stage may give China greater leverage to extract concessions, because Moscow will have a stake in preserving accomplishments and avoiding an embarrassing retrogression.

Once Gorbachev visits Beijing, he too will have both a personal stake in the new relationship and increased ability to influence the pace and tenor of change in the relationship.

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Geopolitical tensions are likely to persist, however, as each side tries to expand its influence in Asia and suspicions arise regarding the other's use of the relationship for tactical gains vis-a-vis third parties, including the US.

Perceptions and Expectations

Gorbachev probably expects to reap domestic political benefits from the summit with China. He already has improved relations with China sufficiently to pursue dramatic initiatives to achieve domestic and foreign policy advantages, if he chooses to do so.

Suspicion of and disdain for China will persist in the USSR, however, and the military probably will insist on caution when it comes to taking concrete steps to ease tensions with the PRC, if only to protect its sizable investment in the far east since the late 1960s. In response, Gorbachev can argue plausibly that the danger of war with China has clearly diminished, particularly given the restructuring of Chinese forces since 1985.

Substantially reducing the number of troops deployed against China would have favorable economic consequences at home, particularly if these troops were to be demobilized. Even barring demobilization, the transfer of these forces to the central or western USSR would reduce logistical costs. Given current Soviet policy toward Western Europe, the Soviets probably would not use these troops to reinforce the Warsaw Pact.

On the Chinese side, the decision to accede to longstanding Soviet calls for a summit could only have been made by Deng. That he has agreed to a summit--provided the Soviets continue to satisfy his prerequisites--suggests a calculus that includes domestic as well as foreign policy considerations. By normalizing relations and setting the parameters for future ties, Deng may hope to remove from the succession equation an issue that could spark debate and political infighting injurious not only to China's relations with the US but also to Deng's entire reform program. Indeed, the expected benefits of improved Sino-Soviet relations underlay Beijing's decision to begin the process of normalization in 1981-82.

The Chinese still regard the Soviet Union as a major military threat to China but no longer consider a Soviet attack likely in the near term. Gorbachev's promise of Soviet troop withdrawals from Mongolia and areas along the border would confirm this more benign view of Soviet intentions. Indeed, some military advisers are already urging that China concentrate less on the Soviets and more on such regional rivals as

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Vietnam, India, and Japan. As Beijing pursues military modernization and force restructuring, it may be willing at some point to accept Gorbachev's call for talks on mutual force reductions.

The extent to which Deng is able to realize his many objectives and to impose his priorities on his successors is uncertain. It is certain, however, that the effect of the summit on domestic politics and policy will be positive but marginal. The course of reform may be slightly smoother and succession arrangements may be somewhat more stable as a result of the summit, but the changes that make the summit possible are more significant than those that will ensue therefrom.

Trade

A Sino-Soviet summit by itself will not strengthen underlying incentives for bilateral trade. A summit could loosen some self-imposed restraints, however, spurring cooperation on projects to enhance trade and development, such as improving cross-border transport links and widening the scope for joint ventures.

But Sino-Soviet trade is unlikely to surge during the next year or two. Beijing's decision to cool down China's overheated economy, particularly by cutting capital construction, probably will curb growth in imports of Soviet machinery and transportation equipment as well as reduce the demand for imports for current production. Even though China does not spend hard currency on Soviet goods, trade with the USSR will feel the effect of retrenchment disproportionately: Much trade with the USSR is conducted by enterprises firmly guided by the Chinese Government, whereas a large part of China's trade in convertible currencies escapes Beijing's close supervision.

Sino-Soviet economic ties almost certainly will not approach the levels of China's trade with the US and countries belonging to the Organization for Economic Cooperation and Development (OECD), simply because the Soviets have much less to offer. Although barter trade makes no demands on foreign currency, it cannot satisfy the desire in both countries for state-of-the-art products. China and the USSR will continue to woo US and Western trade and investment, and Soviet-bound Chinese students will continue to be outnumbered by their US- and Western-trained colleagues.

Implications for Other Countries

Normalization of relations between China and the Soviet Union seems to be motivated more by domestic and bilateral considerations than by the desire of either to score strategic

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gains at the expense of the US. Soviet and Chinese leaders have been increasingly aware of the rapid technological and economic advances made by the US, Japan, and even the smaller Asian states tied into the OECD-dominated world economy. The USSR and China seek to restructure their societies and shift resources from military to civilian sectors, because they fear falling further behind the US and its allies in Asia. As a result, both may have even greater incentive to cooperate with the US.

Normalization of Sino-Soviet relations will not alter significantly the security situation in the Asian-Pacific region. Each side would benefit from reduction of troop strength along the Sino-Soviet and Sino-Mongolian border, but mutual distrust will persist long after a summit. During Foreign Minister Qian's December trip to Moscow, however, the two sides agreed to set up a working group, including military representatives, to discuss possible troop reductions along the border.

Unless Japan undertakes a significant program of rearment--a prospect worrisome to both Moscow and Beijing--security cooperation between China and the USSR is highly unlikely. In fact, concern that Sino-Soviet military cooperation might catalyze Japanese militarism or strengthen US-Japanese security ties should act as a powerful brake on the development of a strategic relationship.

Sino-Soviet hostility has been a constant in international relations for almost three decades, and the symbolic significance of a summit will not be lost on Asian governments. There is likely to be a good deal of public hand-wringing in some countries, even more attention to indicators of US "decline" in Asia in others, and perhaps even some attempts to play the issue to advantage in bilateral relations with the US.

It should also be expected that the Soviets will attempt to take advantage of the publicity to loosen the ties of various countries with the US, such as they have done in the Philippines. Nevertheless, short-term responses to Sino-Soviet normalization by regional actors will not effect a fundamental shift in the balance of power in the Asian-Pacific region.

The first and perhaps strongest effect of a Sino-Soviet summit would be felt in Hanoi and Pyongyang. Better relations between Moscow and Beijing will increase Vietnam's concern for the stability of Soviet support in its conflict with China and make it more difficult for the North Koreans to take advantage of rivalry between their two giant patrons. Even worse, from Pyongyang's perspective, better relations likely will reduce even further the few remaining impediments to expanded Soviet and Chinese relations with Seoul.

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Over the longer term, an improved relationship between China and the USSR will revive Southeast Asian suspicions about Beijing's intentions and military capabilities. A modernizing China that feels less threatened by the USSR will be perceived as posing increased security challenges to the region. These perceptions will be heightened when Vietnam withdraws from Cambodia and the primary issue linking China and the Association of Southeast Asian Nations disappears.

Although advance notice has already caused the Japanese to discount the effect of a Sino-Soviet summit, the short-term reaction is likely to be a mixture of relief and concern, relief that tensions in the region have been reduced somewhat and concern that the process might go too far. Japan will also be uneasy about standing out as the one country in the region that has failed to improve relations with the USSR. This could make at least some in Japan more willing to defer or compromise on the Northern Territories issue, but any change in Japanese policy will depend more on what the Soviets offer in bilateral talks than on the Sino-Soviet summit.

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